

TEO SENG CAPITAL BERHAD
(Company No. 732762-T)

TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE

1. Objectives

- 1.1. To oversight on the establishment and implementation of a risk management framework.
- 1.2. To reviewing the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.
- 1.3. To ensure the provision of quality product and services and direct the risk culture and processes throughout the Group to take advantage of opportunities while managing and monitoring risks that may adversely affect the Group's achievement of its business objectives.

2. Composition of the Risk Management Committee

The Risk Management Committee ("the Committee") shall be appointed by the Board from amongst their numbers, which fulfils the following requirement:-

- 2.1. The Committee must be composed of no fewer than 2 members with a majority must be Independent Directors and its members between them should have a sufficient understanding of the industries of in which the Teo Seng Group operates. In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

3. Secretary of the Risk Management Committee

The Company Secretaries of the Company shall be the Secretaries of the Committee.

4. Duties and Responsibilities of the Risk Management Committee

The following are the main duties and responsibilities of the Committee collectively:

- 4.1. Oversee and recommend the risk management policies and procedures of the Company;
- 4.2. Review and recommend changes as needed to ensure that the Group has in place at all times a Risk Management policy which addresses the strategic, operational, legal, financial compliance risks, and etc;
- 4.3. Implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Group's business risks;
- 4.4. Set reporting guidelines for management to report to the Committee on the effectiveness of the Group's management of its business risks.
- 4.5. Review the Group and its subsidiaries' risk profiles and evaluate the measures taken to mitigate the business risks

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5. Conduct of Meetings

- 5.1. The quorum for the meeting and shall be two (2) Committee members.
- 5.2. The Company Secretaries shall be in attendance at each Committee meeting and record the proceedings of the meeting thereat.
- 5.3. Minutes of each meeting shall be kept as part of the statutory record of the Company.
- 5.4. The Directors and other appropriate officers (including employees) may be invited to attend where their presence are considered appropriate as determined by the Committee Chairman.

6. Circular Resolution

The Committee may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a Circular Resolution in writing in lieu of formally convening a meeting. The Circular Resolution signed by a majority of the Committee members shall be as valid and effectual as if it has been passed by a meeting of the Committee duly convened. Any such resolution may consist of several documents in like form each signed by one (1) or more Committee members. Any such document may be accepted as sufficiently signed by a Committee member if transmitted to the Company by email, facsimile or other electrical or digital written message/application to include a signature of a Committee member.

7. Access to Information

The Committee can seek information directly from the Group's employees or external party, including the Group's auditors and other professional advisers.

8. Revision and Updates

This Terms of Reference will be reviewed and updated as and when necessary to ensure it remains consistent with the Committee's objectives and responsibilities.